
SENATE BILL 5179

State of Washington

55th Legislature

1997 Regular Session

By Senators Deccio, Prentice and Wood

Read first time 01/17/97. Referred to Committee on Health & Long-Term Care.

1 AN ACT Relating to nursing facility reimbursement; creating a new
2 section; and providing an expiration date.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** (1) The legislature finds that there are
5 certain inequities in the current nursing facility reimbursement system
6 caused by specific or general provisions contained within chapter 74.46
7 RCW. Subsection (2) of this section directs the department of social
8 and health services to correct those inequities, notwithstanding any
9 other provision of law.

10 (2) The department of social and health services shall:

11 (a) Use the American hospital guidelines for determining lives for
12 depreciation on new buildings, remodels, and allowable repairs;

13 (b) Determine the July 1, 1997, rate using the rate existing on
14 June 30, 1997, and, thereafter, make retroactive adjustments to the
15 July 1, 1997, rate to reflect final administrative review decisions,
16 under RCW 74.46.780 and errors and omissions, under RCW 74.46.570;

17 (c) Adjust a contractor's rate, in accordance with RCW 74.46.460,
18 to current fund staffing level changes needed to correct survey
19 deficiencies. The department of social and health services shall

1 reconsider current funding requests submitted during calendar year
2 1996, to the extent that such requests were denied based, wholly or in
3 part, on survey findings and shall make appropriate adjustments to a
4 contractor's July 1, 1996 and 1997 rates. The department of social and
5 health services shall also consider current funding requests submitted
6 during calendar year 1997 and make appropriate rate adjustments
7 effective to July 1, 1997. The department of social and health
8 services shall use the industry standard of one thousand nine hundred
9 sixty hours to represent one full-time equivalent and shall use hours
10 per patient day to determine whether the contractor has spent the
11 funding granted under this subsection and RCW 74.46.460;

12 (d) Adjust a contractor's property and return on investment
13 components using the contractor's anticipated patient day level, in
14 lieu of the contractor's prior period patient day total, when the
15 contractor has banked beds under RCW 70.38.111. A contractor's
16 anticipated patient day level shall be used, as allowed under this
17 subsection, regardless of the occupancy level achieved in the calendar
18 year immediately preceding the licensed bed reduction;

19 (e) Use comparable values of land, not assessed land values, when
20 determining the allowable cost of land; and

21 (f) Adjust a contractor's rate to current fund property taxes for
22 new or replacement construction when the property tax rate exceeds the
23 inflation factor adjustment established under RCW 74.46.420.

24 (3) To the extent that chapter 74.46 RCW conflicts with the
25 provisions contained within this section, this section takes
26 precedence.

27 (4) This section expires June 30, 1998.

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